

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1298

SPONSOR: Finance and Taxation Committee and Senator Carlton

SUBJECT: Protect Our Reefs License Plate

DATE: April 10, 2003

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Branning</u>	<u>Kiger</u>	<u>NR</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable/CS</u>
4.	_____	_____	<u>ATD</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	<u>RC</u>	_____

## I. Summary:

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Protect Our Reefs specialty license plate. In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. The annual use fees will be distributed to the Mote Marine Laboratory, Inc., to be used for funding Florida reef research, conservation and education programs.

The bill changes the distribution of the Florida Arts Specialty License Plate revenues by removing the Department of State from the revenue flow cycle. The revenues will go directly to the single arts council designated by the county, in the direct proportion to the amounts of fees collected in each county.

This bill substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

## II. Present Situation:

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.

- An application fee, not to exceed \$60,000, to defray the DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee will be refunded to the requesting organization.

Section 320.08056, F.S., provides that DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters "A" through "Z", or a combination thereof. The word "Florida" must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department of Highway Safety and Motor Vehicles is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of DHSMV's costs directly related to issuing the specialty license plate.

The Department of Highway Safety and Motor Vehicles must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department of Highway Safety and Motor Vehicles is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services authorized to be funded.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Section 320.08058, F.S., provides specific requirements for thirty-eight specialty license plates. Subsection (12) creates the Florida Arts specialty license plate, which requires a \$20 use fee which is forwarded quarterly to the Division of Cultural Affairs of the Department of State for deposit into the Florida Fine Arts Trust Fund. The division must distribute the fees to each county arts council or, if there is none, to be applied by the council or agency to support art organizations, programs and activities within the county.

### **III. Effect of Proposed Changes:**

The bill changes the distribution of the Florida Arts Specialty License Plate revenues by removing the Department of State from the revenue flow cycle. The revenues will go directly to the single arts council designated by the county, in the direct proportion to the amounts of fees collected in each county. If there is no county arts council then fees collected must be forwarded to such other agency in the county as the highest ranking county administrative official designates, to be applied by the arts council or agency to support arts organizations, arts programs, and arts activities within the county.

The bill amends ss. 320.08056 and 320.08058, F.S., directing the Department of Highway Safety and Motor Vehicles to issue a Protect Our Reefs specialty license plate. In addition to applicable motor vehicle registration taxes and fees required under s. 320.08, F.S., a \$25 annual use fee and a \$2 processing fee will be charged for this new specialty license plate. The annual use fees will be distributed to the Mote Marine Laboratory, Inc., to be used for funding Florida reef research, conservation and education programs.

Up to 15 percent of the annual use fees received by the organization may be expended for annual administrative costs directly associated with the administration of the Protect Our Reefs program, and up to 10 percent of the annual use fees may be used by the organization for promotion and marketing of the license plate. After reimbursement for documented costs expended for establishing the license plate, Mote Marine Laboratory, Inc., must use and distribute the remaining funds to eligible Florida-based scientific, conservation, and education organizations for the collection, analysis, and distribution of scientific, educational, and conservation information to the research community; federal, state, and local government agencies; educational institutions; and the public. Eligible organizations must be based in Florida and engaged in reef research, conservation, or education. The bill authorizes the state Auditor General to examine the records of Mote Marine Laboratory, Inc., and any organization which receives funds from the sale of the Protect Our Reefs license plate to determine compliance with the law.

The bill shall take effect July 1, 2003.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

Persons who apply for the Protect Our Reefs specialty license plate would have to pay \$25 for the annual use fee, in addition to the taxes and fees required under s. 320.08, F.S., and a \$2 processing fee. The \$25 use fee will be distributed to the Mote Marine Laboratory, Inc., and the \$2 processing fee is deposited into the State Transportation Trust Fund of the Department of Transportation. The fiscal impact is indeterminate.

**B. Private Sector Impact:**

Persons who apply for the Protect Our Reefs license plate would have to pay a \$25 annual use fee and a \$2 processing fee.

**C. Government Sector Impact:**

Current law provides an application fee, not to exceed \$60,000, be paid to the Department of Highway Safety and Motor Vehicles to defray the administrative costs of reviewing and developing the new specialty license plate. The Department of Highway Safety and Motor Vehicles has indicated \$60,000 has been collected from the applicant to defray these costs. This fee will be refunded if the license plate is not approved by the Legislature.

The Department of Highway Safety and Motor Vehicles estimates administrative and design costs to be approximately \$60,000 per specialty license plate authorized. Any additional cost of issuing the license plate will be retained from the first proceeds derived from the annual use fees as provided in s. 320.08056(7), F.S.

The Department of State will no longer receive revenues from the sale of the Florida Arts specialty license plate, for distribution to county arts councils.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.